



# **Managing for Payment Accuracy**

**A Review of State Practices**



**United States Department of Agriculture  
Food and Nutrition Service  
September 1999**



---

## Table of Contents

### Introduction

### Contributing States

<b>California:</b> Significant County Payment Accuracy Projects .....	4-5
<b>Connecticut:</b> The Food Stamp Times Newsletter .....	6
<b>Delaware:</b> National Credit Bureau On-Line Inquiry .....	7-9
<b>District of Columbia &amp; Maryland:</b> Dual Participation Match .....	10-11
<b>Kentucky:</b> Error Rate Reduction Project .....	12-13
<b>Minnesota:</b> Hennepin County P.A.C.E. ....	14
<b>Minnesota:</b> Training Advisory Committee .....	15-16
<b>Mississippi:</b> Project Hindsight .....	17-19
<b>New Hampshire:</b> Payment Accuracy Committee .....	20-21
<b>Ohio:</b> County Incentives and Sanctions .....	22-23
<b>Ohio:</b> Top Error Element Review (TEER) .....	24-25
<b>South Carolina:</b> Online Food Stamp Manual .....	26-27
<b>Tennessee:</b> Commitment to Excellence .....	28-35
<b>Texas:</b> Significant Payment Accuracy Techniques .....	36-40
<b>Wyoming:</b> A Team Approach .....	41-44



# Introduction

---

**T**he goal of the Food Stamp Program is to reduce and ultimately eliminate food insecurity. This goal can only be attained through cooperative partnership with States to balance program service, accessibility, and payment accuracy. This publication focuses on collections of best practices to increase payment accuracy.

This compilation of State payment accuracy practices is the third published by Food and Nutrition Service headquarters since January 1996. The catalog is designed to provide information that will assist States in developing and implementing payment accuracy strategies tailored to their circumstances. Each entry contains a brief description of the initiative and the State environment at the time the initiative was implemented. The name and telephone number of the State contact is listed if readers wish more information about a particular initiative.

In Fiscal Year (FY) 1998, the Food Stamp Program served an average of over 19.8 million people each month with a total appropriation for the year of \$25.1 billion. For FY 2000, the President's Budget Request includes \$22.4 billion to help feed needy Americans, more than half of whom are children and the elderly. For ongoing bipartisan support for the Food Stamp Program it is essential that we strengthen administrative accountability and act aggressively to reduce errors in the certification process. We must ensure that the correct benefits are given only to those who are eligible to receive them if we expect the Food Stamp Program to maintain credibility.

A key to the success in reducing the national payment error rate has been the solid commitments obtained from the top levels of State management to improve payment accuracy. Commitment from top management to front-line staff coupled with the innumerable payment accuracy initiatives implemented by States and continued enthusiasm and support for payment accuracy will always be an essential element in the success of the Food Stamp Program.

We look forward to your commitment to our shared goal to increase payment accuracy in the Food Stamp Program.



# California

## Significant County Payment Accuracy Projects

### Background

California runs the largest Food Stamp Program in the country with an average of 1,972,562 participants monthly in Federal Fiscal Year (FFY) 1998. The program is administered by each of the State's 58 counties, which poses a challenge for taking statewide action to address error trends. For FFY 1998, California's payment error rate was 12.52 percent, up from 9.89 percent in FFY 1997.

### Action

Earned income errors, specifically wages and salaries, have been the highest error element for California for some time. In 75 percent of the cases the problem has been failure to act or act correctly upon reported information. (The information is reported and is available in the casefiles, but is not used or is used incorrectly in the calculation of food stamp benefits.)

Other issues including staffing, resources, training, and supervision have an impact on failure to act on errors, and the circumstances can vary markedly from county to county, making it difficult for the State to target problems effectively. However, concern for accountability in the Food Stamp Program is one thing that all counties have in common.

#### Fresno County - Project Recall

Fresno County has recently begun Project Recall in which workers make a follow-up telephone call to the client 30 days after certification both to remind the client to report any changes and to confirm the accuracy of information currently in the casefile. Prior to making the call, the casefile is reviewed as it is transferred from an intake unit to an ongoing unit to determine whether all available information has been acted upon. The results of this project are not yet available, but other counties are watching with interest.

#### Data Collection - County Performance Sample

The State pulls an enlarged sample of certification cases for quality control (QC) reviews and provides substantially more data to the 19 largest counties in the State for a more substantive error analysis than could be derived from the Federal QC sample alone. Counties are being encouraged to analyze in detail how and when errors occur in order to devise effective strategies to reduce such errors.

#### Accountability - Mandatory Supervisory Casefile Reviews

In most of the counties there is some type of supervisory casefile review system in place. The systems vary considerably in how frequently reviews are conducted, what record keeping is involved, whether data is generated, and whether the results are specifically linked to performance standards for both the eligibility worker and the supervisor. A consortium of eight large counties is developing a proposal for consid-



## Significant County Payment Accuracy Projects

---

eration by the County Welfare Directors Association which would build a standard accountability system that could be used by the counties. Riverside County has an automated approach to supervisory or quality assurance reviews that is directly linked to workers' performance standards. Riverside has also maintained a much higher accuracy rate as well. Other counties are being encouraged to visit Riverside to learn from their success.

### **Corrective Action Planning Process**

California is planning a series of workshops for county-level staff involved in corrective action planning. The purpose of these workshops is to make the counties' corrective action planning process more effective and increase their ability to incorporate meaningful information into planning strategies. For 17 of the 19 large counties, State-level Program Information analysts are made available as consultants, usually onsite, to provide training and strategies which have proven to be effective in other States and localities.

### **Underissuance Project**

California is one of the leaders in the Nation in underissuance errors. In order to increase the accuracy of these cases, the State has undertaken a study in the 19 largest counties to identify specific causes and case characteristics associated with underissuance errors. The purpose is to target intensive training in counties or local offices where the need is identified. The results of the study will be available by the end of FFY1999.

### **Gary Swanson, Chief**

Data Operations Branch  
Program Planning and Performance Division  
Department of Social Services  
P.O. Box 161984  
Sacramento, California 95816-1984

Telephone: (916) 322-9821

Fax: (916) 447-1490

### **Contact**



# Connecticut

## The Food Stamp Times Newsletter

### Background

In a continuing effort to reduce the food stamp error rate, the Connecticut Department of Social Services developed a newsletter to be distributed to all agency staff.

### Action

The newsletter, entitled “The Food Stamp Times,” is printed on eye-catching, neon-green paper stock and is limited to two double-sided pages to help ensure that it will be read by the target audience which primarily consists of food stamp eligibility staff. However, it is also distributed to the entire agency staff of approximately 2,800 persons. The layout includes pictures and graphics to limit the amount of text and make the product pleasing to the eye and easy to read. The goal of the newsletter is to help educate workers, to heighten their awareness of errors and to give them strategies to avoid making errors.

Since its debut in August 1998, the newsletter has been published monthly or bi-monthly, depending on the amount of information and/or news that Central office staff have to share with the eligibility workers in the field. Each issue highlights corrective action initiatives planned or underway, progress reports on earlier projects, tips on avoiding errors, policy clarifications, and data on the causes and effects of errors (quality control (QC) statistics). The “Food Stamp Times” also includes features highlighting examples of outstanding customer service, an “Ask Freddie Food Stamps” column, and a crossword puzzle or jumble using program jargon like recertification or EBT.

The reactions from the field staff have been extremely positive and workers look forward to receiving the next issue of the newsletter. Several workers have commented that they never knew the most common causes of errors or that the error rate in the Food Stamp Program is 10 times higher than the Medicaid error rate.

### Contact

#### **William Rufleth**

Food Stamp Director  
Department of Social Services  
General Assistance/Food Stamps/Refugees  
25 Sigourney Street  
Hartford, Connecticut 06106

Telephone: (860) 424-5381  
Fax: (860) 424-4957



# Delaware

## National Credit Bureau Online Request

The front-end fraud unit began operating in February 1995 and has played a key role in investigating the eligibility of clients suspected of providing inaccurate information at initial application and recertification.

When a caseworker suspects that a client is reporting inaccurate information, background information on the case is referred to the front-end investigators. A member of the collections enforcement unit makes an on-line inquiry to a national credit bureau and accesses the credit report for the investigators, using the client's name, most recent address available, date of birth and social security number. The collections enforcement unit also tracks each inquiry and compares it to the monthly transaction bill from the credit bureau. (The collections unit also uses the credit reports to determine whether accounts are collectable.)

### Referral Guidelines:

- Fixed expenses, such as rent and utilities, equal or exceed income
- No income
- Non-household person listed on title, lease or vehicle registration
- Absent parent possibly lives in the household
- Changes occur frequently to the composition of the household
- Non-custodial parent adds a new child to the household
- Child's living and mailing addresses are different
- Eligibility documents appear altered or forged
- Changes in the circumstances of a household appear to have been unreported solely to retain eligibility
- Other well-founded information calls eligibility into question

The credit bureau provides joint active and closed bank account numbers, revolving credit and installment plan account numbers, and whether these accounts were applied for or unsolicited, with the date of the most recent activity. The bureau also provides the amount of Social Security death benefits, unusual charges, business address and ownership, lien and civil suit information, collection activity, names of those who have requested a credit report on the individual in question and date when the credit bureau received each piece of information.

The front-end fraud staff must complete their work within 5 days unless there is a delay in verification. Credit reports obtained during the investigation are only used as a lead because the information must be verified. Reports are not requested when the circumstances indicate the possibility of criminal activity because the information cannot be used as evidence or obtained for criminal investigative purposes.

### Background

### Action



## **National Credit Bureau Online Request**

---

Documented findings are presented to clients and applicants during home visits. If there is a suspicion that the home visit may be adversarial, a letter is sent to the client/applicant requesting a meeting at the social services office. After the meeting, the investigators list the findings on the referral form and send it to the caseworkers for processing and calculating the dollar savings of the investigation, if applicable. The actual credit report is not released to the caseworker but is maintained in the confidential files of the investigator's office.

In addition to the credit report, the investigators, all of whom were previously police officers or had other law enforcement experience, use other sources to check employment, child care, dual participation (Maryland, New Jersey, New York and Pennsylvania) birth date, marriage, death, incarceration, absent parent and criminal history.

### **Costs and Savings**

Each credit bureau inquiry costs \$2 to \$5 depending on the extent of the information available from the bureau. The accessing software runs approximately \$150 per personal computer. A modem and printer are also required.

According to State officials, since the inception of the front-end unit, the group has helped caseworkers to determine eligibility and benefits correctly, to the tune of \$3,287,000\*. Added benefits include: 1) an increase in employee morale as the result of investigative support proving or disproving suspicions of fraud at the time of certification, stopping overpayments before they happen; and 2) an increase in community awareness of the agency's efforts to prevent and reduce fraud (the agency prosecutes felony cases of \$1,000 or more).

In addition to prevention, the investigators are able to detect fraud that occurs after the most recent action, and they have a 30-day time frame in which to complete an investigation. These cases usually come to their attention through tips and computer match information.

\*Savings represent cash assistance, food stamps, general assistance and Medicaid programs (amount of dollars for one month's benefits multiplied by six months).

*This article was excerpted from the Mid-Atlantic Payment Accuracy Team (MAPAT) newsletter, Volume 10, Issue 2, October 1998.*





## National Credit Bureau Online Request

---

### **William Garfinkel**

### **Contact**

Director, Audit and Recovery and Management Services  
Delaware Department of Health and Social Services  
1901 North Dupont Highway  
Herman Holloway Health and Social Services Campus  
New Castle, Delaware 19720

Telephone: (302) 577-4564

Fax: (303) 577-4790

Internet: [wgarfinkel@state.de.us](mailto:wgarfinkel@state.de.us)



# DC and Maryland

## Dual Participation Match

### Background

The District of Columbia (DC) and Maryland have been working together since 1990 on uncovering clients who are receiving food stamp benefits from both jurisdictions. Initially the two jurisdictions launched investigations from an annual computer tape-to-tape comparison of client databases. Now the two localities try to catch fraud before certification and recertification through an on-line examination of each other's client database.

### Action

When there is a "hit" from DC's dual participation match with Maryland, the DC Eligibility Review and Investigations Division (ERID) determines the circumstances of each case involved (who was actually entitled to benefits and their resident address), makes home visits and collects information from collateral sources.

The ERID investigators discuss the circumstances of the hits with their Maryland counterparts, decide whether to conduct a joint home visit and share "street smart" tips. In 1997 the two jurisdictions conducted approximately 50 of the in-person interviews together. The DC investigators indicated that most clients are cooperative during the home visits, all of which are made during normal business hours.

The division is also responsible for determining whether fraud was committed and calculates the amount of the overissuance when applicable. The group forwards its investigation report to the caseworker as well as to the appropriate prosecuting authority for corrective action. District caseworkers also have the flexibility to call the ERID office to inquire about clients who they believe may be receiving benefits in Maryland.

### The On-Line Check

The ERID and staff from four Maryland counties have been accessing each other's client databases on-line since 1997.

New DC applicants are checked against the Maryland client database to determine whether they are currently receiving benefits in Maryland. If the inquiries produce positive hits, the DC investigators immediately contact the DC caseworkers and datafax the relevant information from the Maryland database.



## Dual Participation Match

### District of Columbia and Maryland Dual Participation Match Statistics

Year	Clean Hits (Active Cases)	Savings*	Over- payments	Cases Changed	Cases Closed
1996	201	\$33,648	\$156,654	9	48
1997	138	\$46,650	\$173,710	14	43

The Maryland counties of Calvert, Frederick, Montgomery and Prince George's use the on-line match with DC when an application is filed for either Temporary Assistance to Needy Families (TANF) or food stamps, and the case meets one of two criteria: TANF applications and NPA/FS applications with two adults in the household. Once the match is completed, the information is forwarded to the caseworker for action.

One ERID investigative supervisor, Toxi Clark, stated that in order to fight fraud successfully she needs to collaborate with Maryland officials to do the job. "It is important that states cooperate," she says. "We need each other to determine if fraud exists. Matches are no good unless you can verify the information."

Maryland officials agree. According to Toni Henson, investigative supervisor, Maryland Division of Special Investigations, "This office is able to complete investigations more expeditiously since the agreement between Maryland and the District of Columbia." Maryland has this same working relationship with Delaware, Pennsylvania and Virginia to process duplicate assistance matches, she adds.

#### Toxi Clark

Supervisory Investigator  
Eligibility Review and Investigations Divisions  
District of Columbia Department of Human Services  
65 I Street, S.W. - Room 206  
Washington, D. C. 20024

Telephone: (202) 727-4725  
Fax: (202) 727-3788

#### Contact



# Kentucky

## Error Rate Reduction Project

### Background

Kentucky has been active in using error rate information for monitoring the success of the mission of income maintenance for the State's most needy citizens. The State began to search for answers to a rise in the monthly error rates in the first 6 months of Federal Fiscal Year (FFY) 1996.

The State not only relies on its Quality Control (QC) staff, but also monitors the individual error cases for cause and effect. This allows management staff to make adjustments in the areas of policy, procedures, training, staffing, etc.

During the time period mentioned above, the State had been involved in two major undertakings. The first was the completion of an automated, integrated eligibility determination system. The second was the enormous changes required by Welfare Reform. While the error rate was not in double digits, it was higher than the standards that had previously been set. It was also higher in comparison to previous error rates. Kentucky had enjoyed 7 consecutive years of enhanced funding and at least 10 years of some of the lowest error rates in the Nation. The State was very proud of its hard-earned accomplishments and had no desire to see them end.

### Action

Corrective action meetings were held to discuss the error rate and people were asked their opinions concerning the reasons for the change in the error rate. Several theories were presented but based on a constant review of these error cases, there was some evidence that problems existed in the interview process. The first order of business was to determine what deficiencies in the interview process were the problem so that resources would not be misdirected.

This was tested by randomly monitoring client interviews in some local offices. Before monitoring began, the monitoring staff developed a form to measure the effectiveness of an interview and to use as a management tool for ongoing monitoring by supervisory staff in the individual units.

It should be noted that the work group for the corrective action meeting also came up with several other directives that the State believes will have an impact on the error rate. The directives included: using clients from the Work Experience Program to prescreen clients, group orientation, rotation of caseloads, highlighting pay stubs, peer review and pre-screening forms.

Once the interview assessment form was fine-tuned, a decision was made to conduct 2-day interview training for all caseworkers and their supervisors. Therefore, it was crucial to have a training packet that would maximize both time and resources.



## Error Rate Reduction Project

---

Volunteers were recruited State-wide for a work group to develop the training package. The group consisted of trainers, supervisors, Central Office personnel, and policy and procedural specialists. The group not only developed the training package, it also volunteered to conduct the training even though the majority of the group did not conduct training as part of their day-to-day job function.

Training sessions were scheduled across the State from May through August of 1998. Two-person teams from the work group conducted the training. Trainers were provided the flexibility to modify their training as necessary. The only requirement was to teach correct interviewing techniques and the importance of the face-to-face interview in making a correct eligibility determination.

Trainers had ingenious methods of making the sessions interesting and participatory. Some trainers developed board games with prizes while others introduced role-playing or presented skits. These innovative tools proved successful in overcoming the resistance of individuals pulled away from their jobs. Resistance to staff sitting-in on interviews with clients was significantly dispelled by first putting staff through the training and identifying the deficiencies in their interviewing skills.

Kentucky is beginning to realize a decline in the error rate. This has been reflected in the last 6 months of the FFY 1998 Quality Control review period. In the first 6 months of the review period, the error rate was 8.68 percent. In the second 6 months, the error rate was 5.69 percent. Although there is no evidence that the training and interview assessments are what turned the tide, it is likely that there was a positive impact from the State's efforts.

### **Maxine Skeans**

275 E. Main Street - HSBE ~2  
Frankfort, Kentucky 40621

Telephone: (502) 564-5312  
Fax: (502) 564-9560

### **Contact**



# Minnesota

## P.A.C.E. (Payment Accuracy Creates Enthusiasm)

### Background

Hennepin, the largest county in Minnesota, has been working diligently with the State to ensure that payment accuracy goals are met. According to staff in the county, “we don’t often think of using the words ‘fun’ and ‘food stamps’ in the same sentence. After all, food stamps are serious business and error rates are a constant concern.” However, the Corrective Action Committee (CAC) in Hennepin County has the word FUN in its goal statement.

### Action

In 1995, when the county’s error rate rose to 11 percent, training was developed for a staff of 800 persons. A game show called P.A.C.E. (Payment Accuracy Creates Enthusiasm) was created. The show has tough and sometimes funny questions covering error-prone areas. All of the staff units studied food stamp policy and prepped the unit member who was their contestant in the first round of the game. Unit members competed with each other in the three divisions and the winners proceeded to a final round that was held in a large auditorium with State and regional food stamp guests in attendance.

The final stage of the competition was very exciting and included special award presentations, song and dance commercials that were really food stamp tips, and prizes for all. Staff also held pep rallies to support their contestants. Managers and supervisors dressed in costumes and staff shouted out cheers for their contestants. The winner of the final round received an all-expense-paid trip to the Midwest Region’s BIG TEN Food Stamp Improvement Conference held in Chicago in August 1995. The winner’s name was also engraved on a plaque displayed in their division. In 1996, a new P.A.C.E. game was developed using the summer Olympics theme with a bronze, silver and gold round. One impact of the P.A.C.E. game is that the payment accuracy rate in Hennepin County and the State increased and continues to increase.

The P.A.C.E. game is available as a complete training package for staging the event in your agency. It includes a video of the actual event, a guidebook with rules, set-up, staging directions, buzzer wiring and computer enhancement, sample questions and reproducible scoring sheets.

### Contact

#### **Gloria Lundberg-Jorgenson**

Program Manager

Hennepin County Department of Economic Assistance  
Ramar Building, 111 E. Franklin Avenue  
Minneapolis, Minnesota 55404

Telephone: (612) 879-3449

Fax: (612) 879-3271

Internet: [gloria.lundberg@co.hennepin.mn.us](mailto:gloria.lundberg@co.hennepin.mn.us)



# Minnesota

## Training Advisory Committee

Minnesota's Department of Human Services (DHS) is responsible for providing the policy and system training to all county and State staff who have access to MAXIS, the statewide automated system. MAXIS was implemented in 1990 and 1991 and all county staff were trained on conversion during that time. Training was provided for new county staff on policy during succeeding years, but the State was not able to provide follow-up training on system and policy changes for the experienced workers. Therefore, in 1993, the State established a Training Advisory Committee (TRAC) composed of volunteers including county supervisors, county lead workers and county trainers from the regions around the State.

TRAC has met on a monthly basis since its inception over 6 years ago. The members of the committee assist the DHS training unit with identifying problem areas, training needs, system processes, etc. Other units within DHS also provide training requests or needs to the committee. For example, quality control (QC) identifies training needs based on case surveys and QC reviews. TRAC prioritizes the course selections and offerings based on feedback received from counties. The DHS training unit then develops and conducts training based on the identified priorities. At present, training courses may be conducted over a period of 1-5 days.

The current DHS training unit is staffed with 13 classroom training positions and 3 computer-based training positions. Of the 9 training labs and one lecture lab maintained by DHS, there are 5 training labs located in greater Minnesota that are within 2 hours travel time from any county location. Each training lab is equipped with 15 computer training stations and one trainer station. The classroom trainers also have laptop computers, which give them the capability to update the curriculum without delay, develop power point presentations, use e-mail to communicate with the Central office, complete class registrations, etc. Classroom trainers provide training on an average of 10 days per month, develop the curriculum and participate in team activities approximately 5 days per month.

Although the State has implemented the TRAC system with much success, not all the counties' training needs are being met. A number of factors, including policy changes, system and county staff turnover, requests for new worker training, case maintenance training and policy update training all impact the ability to provide training in a prompt and efficient manner. Nevertheless, counties continue to send staff to receive training. One of the positive impacts is that demands for training have resulted in increased staffing levels, equipment, office space and division budget approval. Finally, the DHS trainers have received the highest praise and respect from both State and county staff.

### Background

### Action



## Training Advisory Committee

---

### Contact

#### **Mary Birth, Supervisor**

Program Instruction  
444 Lafayette Road  
St. Paul, Minnesota 55155-3845

Telephone: (651) 297-5886  
Fax: (651) 297-5940





# Mississippi

## Project Hindsight

The time was right in 1998 to begin a new corrective action initiative in Hinds County, Mississippi. Several factors influenced this decision, not the least of which was the county's 13.29 percent error rate in FFY 1997. In addition, three events occurred simultaneously which led to a joint county/State corrective action effort in Mississippi's largest county.

In January 1998 the county experienced a change in leadership. The new county director and the State administration were searching for solutions to the escalating error rate. The county's continued designation as a "chronic poor performer" was totally unacceptable. In early 1998 the A.T. Hudson Company assessed the county's organization and changes were made that resulted in staff being made available for activities other than eligibility determination and caseload maintenance. At the State level there was a renewed emphasis on corrective action.

A corrective action unit was created within the Office of Quality Assurance. The director of the Quality Enhancement Unit was responsible for developing and assisting with implementation of corrective action for the State.

Louisiana's Project Recall was a concept that interested all parties. A project work group composed of county and State staff was assembled to design and implement a recall project in Hinds County called Project HindSight. The work group decided the review process would incorporate a quality control-type case review before workers, called case auditors, contacted recipients to validate information provided at the most recent interview. The auditors would also inform recipients of change reporting requirements and solicit information on changes that had occurred since certification.

Other decisions made by the work group included using Early Detection/Fraud Prevention workers for cases requiring a field investigation; controlling reapplications so that recipients whose cases were closed for non-cooperation came through the unit at reapplication; and targeting cases with large allotments. It was also decided that case auditors would handle the entire process including recalculating the benefit in cases where changes had occurred and calculating the "benefit impact amount." This term substituted for the Project Recall term "savings" because the work group felt payment accuracy and error reduction would be more fully emphasized with the new terminology.

The county staffed the Project HindSight unit with two full-time eligibility workers, a supervisor and clerical support. The members of the unit were located in adjacent offices in the county facility. Technical support was provided by the State corrective action unit which assisted by developing a Project HindSight procedural manual,

### Background

### Action



## **Project Hindsight**

---

review forms, a recipient pamphlet and a monthly statistical report. Training for the case auditors was provided on-site in the county by Quality Enhancement staff, who also assisted in organizing the unit.

During the initial month of implementation, the auditors suggested changes to the procedures and forms which facilitated the process. The logistics of routing case records and information were resolved during that first month. A lingering problem has been determining a reasonable number of cases for the weekly assignment. The expectation is ten cases per week but, at the supervisor's discretion, this number may be reduced.

### **Project HindSight Procedures**

Upon selection of a sample from the county's listing of large allotment cases, the case auditor routes the list of cases to the clerical support worker who retrieves the payment record from the eligibility worker to whom it is assigned. The auditor reviews the record and completes a case review guide, noting discrepancies and whatever information needs to be requested from the recipient. Wire Third Party Queries are submitted to verify receipt of Social Security and Supplemental Security Income benefits and a vehicle check is performed prior to client contact.

The auditor is required to attempt contact with the recipient at least three different times within a 24-hour period. If the recipient cannot be contacted by telephone, an appointment notice is mailed, allowing 7 working days for a response. If the recipient fails to respond, the case is closed with appropriate notice.

If contact is made with the recipient, the auditor uses a telephone script to explain the project to the recipient. The auditor advises the recipient of program change-reporting requirements and begins the interview, clarifying any discrepancies between the information the client provides and information in the case record or verified through other sources. Information needed to determine eligibility for continued benefits is requested verbally and a follow-up written request is mailed allowing 10 days for return. If the information is not returned, the case is closed with appropriate notice.

Once the information is returned, the auditor recalculates the benefit based on the change and provides appropriate notice to the recipient of any changes in eligibility or benefit level. The results of the audit are then calculated and the benefit impact amount is documented, i.e., the difference between the prior benefit and new benefit multiplied by the number of months remaining in the certification period.



## Project Hindsight

---

When the review is finished, all information is placed in the benefit record and forwarded to the supervisor for review. All Project Hindsight cases are reviewed by a second party. The supervisor documents review results on a spreadsheet. This statistical log is printed at the end of month and routed to the county director and the State corrective action director.

The reaction of the Hinds County staff to the project has been positive. Project members have a team spirit which is contagious. They selected a unit color—orchid, a shade of purple. They have purple-leafed flowers in their offices. They wear the color purple. All of the unit's forms are printed on orchid paper. Several members of the Hinds County eligibility staff have asked to be considered for the unit because of the enthusiasm and high morale in the unit.

For the period August 1998 through December 1998, 144 cases were completed. There were 56 closures due to recipient non-cooperation and 11 due to other reasons. Out of the 56 closures due to recipient non-cooperation, there were 31 reapplications. Some of the reapplications were denied because of continued non-cooperation. The auditors have found a significant number of changes, primarily in household composition and income reported at reapplication by the former recipients.

The results of the project for the period August 1998 through December 1998 are as follows:

<b>Closures</b>	<b>67</b>
<b>Benefit Decrease</b>	<b>26</b>
<b>Benefit Increase</b>	<b>13</b>
<b>No Changes</b>	<b>38</b>
<b>Pending 12/31/98</b>	<b>43</b>

**Total Benefit Impact Amount for this period: \$128,321**

**Janis Bond, Director**  
Quality Enhancement Unit  
Mississippi Department of Human Services  
P.O. Box 352  
Jackson, Mississippi 39205

Telephone: (601) 359-4832  
Fax: (601) 359-4550

### Contact



# New Hampshire

## Payment Accuracy Committee

### Background

The golden rule of payment accuracy is “Buy-in of program stakeholders comes first and error reduction follows.” Recognizing this, New Hampshire has had monthly meetings of a payment accuracy committee since 1994. Members of the committee include the quality control (QC) administrator, the field operations administrator, the Food Stamp Program manager, the supervisor of the error reduction unit (a group of roving case reviewers), field eligibility supervisors, FNS QC staff and the FNS regional office payment accuracy team leader.

### Action

The payment accuracy committee develops and monitors corrective action plans, and has been the conduit for ideas that have culminated in error reduction techniques that lower the error rate. Just a few of the initiatives are listed below:

- Error-prone case profiles are identified for review by the error reduction unit. QC recognizes quality casework by providing a QC Blue Ribbon for cases that are either error-free, or show remarkable quality despite impossible case circumstances. It is a non-competitive award that field staff hang proudly on their walls, contributing to quality awareness.
- Project Recall was implemented. Caseworkers telephone clients with error-prone cases for a review of case circumstances.
- Evening phone message capability was instituted, allowing clients to call to report case changes after business hours, reducing client failure to report errors.
- Front end detection was put into place to allow caseworkers to request investigations of cases that they suspect of fraudulent or inconsistent circumstances. An example of this would be a case having a history of monthly expenses that exceed monthly income.

Monitoring of initiatives is the responsibility of the action item leader. For instance, the efficacy of evening phones was monitored and reported by the Food Stamp Program manager. Error trends and error-prone profiles are monitored and reported by the supervisor, error reduction unit.

The most important thing to come out of monthly payment accuracy meetings of program stakeholders is the elevation of *quality* to a position where it—and payment accuracy—become pervasive in our daily work, at all levels of case and program management.



## **Payment Accuracy Committee**

---

### **Terry Smith**

Food Stamp Program Manager  
Department of Health and Human Services  
Division of Human Services  
129 Pleasant Street  
State Office Park South  
Concord, New Hampshire 03301

Telephone: (603) 271-4256

Fax: (603) 271-4637

Internet: [tsmith@dhhs.state.nh.us](mailto:tsmith@dhhs.state.nh.us)

### **Contact**



# Ohio

## County Incentives and Sanctions

### Background

Ohio is a county-administered State. As part of Ohio's goal to partner with the County Departments of Human Services (CDHS) to improve the accuracy of food stamp issuance, the State initiated a performance-based county incentive and sanction program in July 1998. The program is designed to ensure county commitment to reducing the State's food stamp error rate by sharing monetary accountability. The program has been strengthened by the inclusion of payment accuracy performance expectations in the Partnership Agreements that the Ohio Department of Human Services (ODHS) is executing with each CDHS under welfare reform. These contracts provide for passing Federal incentives and sanctions through to the county agencies based on their performance as outlined below.

### Action

The TEER (Top Error Element Review) is the basis upon which incentives and sanctions are passed from ODHS to the counties. TEERs are conducted on a statistically valid sample of food stamp cases and focus on those elements that contribute to more than eighty-five-percent of all food stamp errors, i.e. household composition, earned income, and the shelter deduction). The following describes over time the three possible ways a county may receive an incentive payment if its food stamp payment accuracy exceeds the performance standard:

#### • **Reinvestment Incentive**

If a county's TEER error rate for the period April 1997 through March 1998 was one percent or more below the national tolerance for Federal Fiscal Year (FFY) 1997, the county qualified for an incentive. The incentive was calculated on a sliding scale using two factors: 1) the county's average food stamp caseload for FFY 1997 and 2) how far its TEER error rate was below the national average. This was a one-time-only incentive tied to the State's reinvestment plan for Federal sanctions from FFY 1992 through FFY 1996. The incentive amounts were announced in July 1998 and 84 of the 88 counties in the State received a portion of \$5 million dollars.

#### • **Below National Tolerance Incentive**

Because the State's combined error rate for FFY 1998 was below the national tolerance but was more than six percent, all counties with a TEER error rate below six percent qualified for an incentive in FFY 1998. The amount of the incentive was \$3.5 million and will be distributed based on a county's average food stamp caseload divided by the average food stamp caseload for all counties below six percent.

#### • **Federal Enhanced Funding Incentive**

If the State had qualified for enhanced funding for FFY 1998 because its combined food stamp error rate was less than six percent, counties with a TEER error rate for FFY 1998 which is one percent or more below the national tolerance would have



## County Incentives and Sanctions

---

qualified for an incentive. The amount of the incentive would have been \$2.6 million plus fifty percent of the enhanced funding received from the Federal Government.

Sanctions would have been passed through to all counties if Ohio had been sanctioned for exceeding the national average error rate. Fifty percent of any fiscal disallowance would have been passed through to the counties based on two criteria: (1) the county's TEER error rate for FFY 1998, and (2) the county's average caseload for FFY 1998.

A county's sanction would have been calculated on a sliding scale based on the county's TEER and how far it was above the national average error rate.

While the reinvestment incentive was a one-time program, Ohio intends to continue the other two error rate-based programs. It is the State's belief that these programs will motivate counties to increase their payment accuracy rates in order to receive incentive funds and avoid the possibility of a reduction in operating funds.

### **Neva Terry**

Chief

Bureau of Program Integrity  
Ohio Department of Human Services  
30 E. Broad Street, 31<sup>st</sup> Floor  
Columbus, Ohio 43266-0423

Telephone: (614) 728-9202

Fax: (614) 728-7740

Internet: [teryn@odhs.state.oh.us](mailto:teryn@odhs.state.oh.us)

### **Contact**



# Ohio

## Top Error Element Review (TEER)

### Background

Faced with one of the highest error rates in the Nation, the State found it necessary to develop a reinvestment plan as a result of Federal sanctions. Ohio implemented the Top Error Element Review (TEER) in April 1997 as a means to help increase payment accuracy.

### Action

The review consists of a statistically valid sample in each of the State's 88 counties and focuses on the top error elements of earned income, household composition, shelter costs, Social Security and Supplemental Security Income benefits, child support, unemployment and workers compensation, welfare reform changes and all sources of matches. These elements make up approximately 85 percent of Ohio's Federal food stamp error rate.

A portion of the sample is completed each month by quality control (QC) staff. Counties are informed of the findings via the normal QC process and are required to respond to the findings indicating their agreement or disagreement within 15 days. Monthly reports are sent to the county directors each month and quarterly reports are sent to all county commissioners to keep them informed of their county's progress.

Since QC reviews are no longer required for Temporary Assistance to Needy Families (TANF), existing QC staff are utilized to conduct the TEER reviews, eliminating the need for additional staff, space and equipment. Each reviewer completes approximately 40-50 reviews per month which include a review of the case, both hard copy and computer, a client telephone interview and limited collateral contacts.

It is the State's belief that the TEER process has had a very positive impact on the error rate. Prior to the inception of TEER, the error rates were 14.37 percent in FFY 1993, 14.52 percent in FFY 1994, 14.57 percent in FFY 1995 and 12.63 percent in FFY 1996. Following TEER implementation, the error rates decreased to 11.15 percent in FFY 1997 and to 9.29 percent for FFY 1998. In addition, the TEER process is being used to determine each county's share of incentive money. The incentive process is described in the previous section of this publication.

In summary, the TEER process is beneficial in numerous ways: 1) errors may be identified and corrected prior to the Federal sample selection; 2) the sample is statistically valid for the county size and therefore the analysis of the error findings can be used to develop continual improvement plans; 3) the sample can be used to pass through financial incentives or sanctions depending upon the State's overall performance; and 4) based on historical data this process targets the top error elements resulting in a significant improvement in the Federal QC findings.





## Top Error Element Review (TEER)

---

### **Neva Terry, Chief**

Bureau of Program Integrity  
Ohio Department of Human Services  
30 E. Broad Street, 31<sup>st</sup> Floor  
Columbus, Ohio 43266-0423

Telephone: (614) 728-9202

Fax: (614) 728-7740

Internet: [terryn@odhs.state.oh.us](mailto:terryn@odhs.state.oh.us)

### **Contact**



# South Carolina

## Online Food Stamp Manual

### Background

South Carolina's food stamp error rate had increased and the State was pursuing several methods to help decrease it. One of the methods was an online food stamp manual which was implemented on November 1, 1998. The online manual provides a timely, efficient and cost-effective approach to policy dissemination.

### Action

The online food stamp manual is targeted at food stamp eligibility staff and will ensure that workers have correct policy information at all times. There was the belief that many quality control errors resulted from food stamp determinations based on inaccurate and out-of-date policy. With the online manual, eligibility staff do not have to worry about updating their manual or using outdated policy. In addition, revisions reached field staff in a more timely manner. The online manual is complementary to the State's automated Client History Profile Information System (CHIPS) used to determine eligibility for food stamp recipients. Manual material is easily referenced while working in CHIPS. Staff may switch between the manual and CHIPS with the touch of a button. The online manual is very cost effective and printing costs are greatly reduced.

South Carolina had an existing contract with Pathlore Corporation for Computer Based Training (CBT) for Family Independence and food stamp eligibility staff. To implement the online manual, South Carolina extended the contract with Pathlore Corporation in July 1998 for Preference software and assistance. Preference is a mainframe-based online help and reference system that is compatible with the CBT and CHIPS. The contract period was for one year.

The State was using a combined eligibility for the Food Stamp Program and Temporary Assistance for Needy Families Program. It was decided that the manual would be segregated and rewritten in the required format for an online manual. A committee of county eligibility staff and State office staff was formed to work on this process. This committee began the manual rewrite in July 1997 by holding monthly workshops to rewrite and review policy material. A draft of this material was sent to Pathlore on discs in May 1998 for the initial transfer to Preference software. The transferred material was sent back to South Carolina for review. Any corrections were noted and sent back to Pathlore in September 1998. A final draft was completed in October and the food stamp online manual became operational November 1, 1998. The State accomplished this with existing staff and the addition of two staff persons, an online project coordinator and an online clerical staff person. Reinvestment funds were used to pay for the contract with Pathlore. No additional equipment was needed.

There were some obstacles encountered during implementation. One was the use of existing staff for the manual rewrite process. This staff had other duties and it was



## Online Food Stamp Manual

---

difficult to devote time to the rewrite process. Another obstacle was that South Carolina was using AmiPro for word processing. The clerical staff person hired for this project had to become adept at WordPro, as this was compatible to the software used by Pathlore.

Staff have been very positive toward the implementation of an online manual; however, they are having difficulty adapting to this change. Initial reports show that navigation through the online manual is difficult. As a result, eligibility staff are not using the online manual as much as was expected. The State believes that the navigation difficulties are a result of failure to complete the CBT module offered on the online manual and a failure to devote adequate time to studying the guide and practicing. Additionally, training was provided on a supervisory level only and supervisory staff may not have passed on sufficient information to the eligibility staff. A committee now has been formed from State office staff and county staff to develop a solution and help eligibility staff become more competent with the online manual.

It is not known at this time how successful this project will be since the online manual has been in use only since early 1999. While the evaluation of the project is underway, project staff are making every effort to solve any problems and improve the manual so that the eligibility staff may better use it. There are also plans to include pop-up help windows for use when determining eligibility in CHIPS and to allow staff direct access to CBT modules relating to specific policy references.

All staff are committed to making the online manual a success.

**Laurel Addy, Director**

or

**Sandy Allen, Supervisor**

Division of Policy and Planning

Food Stamp Policy Unit

South Carolina Department of Social Services

P.O. Box 1520

Columbia, South Carolina 29202-1520

Telephone: (803) 898-9452

Fax: (803) 898-9173

### Contact



# Tennessee

## Commitment to Excellence

### Background

Tennessee implemented the Commitment to Excellence efforts by: 1) making staff aware of their value and importance to the Tennessee Department of Human Services (TDHS); 2) keeping them informed of the current status of payment accuracy and its importance to the customers served by the TDHS and the taxpayers of Tennessee; 3) providing them with the tools (equipment, policy knowledge, and morale support) to do their job effectively; 4) assisting staff by developing simplified processes to complete complex job responsibilities; and 5) continuously recognizing excellence in job performance. Staff has responded very positively and enthusiastically to the overall effort. Tennessee's error rate for FFY 1998 of 8.74 percent shows an appreciable improvement over FFY 1997 (12.05 percent). By contributing to this improved food stamp payment accuracy rate, TDHS employees saved the Food Stamp Program millions of dollars in inappropriate issuance of benefits and saved the State several million dollars in possible Federal sanctions.

Tennessee's Commitment to Excellence has made a significant difference for the State, both in the quality of service provided to the citizens of Tennessee served by the Food Stamp Program and economically to the State and its taxpayers. The funds invested to develop and execute the initiatives in the plan have been minimal in comparison to the significant savings realized.

### **Commissioner's Food Stamp Payment Accuracy Advisory Committee**

This committee is appointed by the Commissioner of the TDHS and is under the leadership of the Director of Field Consultation. The membership consists of: the Assistant Commissioner for Family Assistance, the Food Stamp Program Director, the Employment and Training Director, the ACCENT (Tennessee's automated system) System Director, the Director of Administrative Review, a District Administrative Director, a District Family Assistance Director, a District Investigations Director, a Field Consultation Program Manager, a Field Consultation Food Stamp Program Specialist, a district Family Assistance Program Supervisor, an Area Manager, two Family Assistance Field Supervisors and two Family Assistance Case Managers. The Advisory Committee meets quarterly in Nashville and evaluates the progress of all payment accuracy initiatives. Recommendations are made to the Executive Staff for new initiatives or improvements in old initiatives.

### Contact

#### **Joy K. Stoots**

Food Stamp Program Specialist, Field Consultation Division  
Tennessee Department of Human Services  
907 Buffalo Street  
P.O. Box 2120  
Johnson City, Tennessee 37605-2120

Telephone: (423) 434-6960  
Fax: (423) 929-2944



## Commitment to Excellence

---

### The Initiatives

In addition to the Advisory Committee and the development of the Commitment to Excellence document, five areas of vital importance were identified:

- A. Initiating the Special Projects Unit within the Field Consultation and Investigations Divisions.
- B. Developing an enhanced partnership with Administrative Review.
- C. Conducting a staff awareness campaign on food stamp payment accuracy.
- D. Recognizing excellence in job performance at all levels.
- E. Initiating a customer awareness campaign on the need to report changes and their responsibility.

### A. Initiating the Special Projects Unit within the Field Consultation and Investigations Divisions

#### 1. Field Consultation

##### a. Project Wage Match

After reviewing the current payment accuracy data that showed that almost 50 percent of Tennessee's dollar errors were caused by incorrect information about wages and salaries, the TDHS implemented Project Wage Match in mid-October 1997. This joint effort involved county, district, State office, field, program and investigations staff working cooperatively to reduce the number of unresolved wage matches. Field/program consultation staff established work units in each district and directed temporary staff in processing wage match reports, securing information from employers and forwarding the information to either the investigations unit, the ACCENT Help Desk or the county office staff for appropriate resolution. As a result of this effort, 617,654 matches of all types were resolved as of the end of April 1998.

### Linda Chappell

Field Consultation Program Manager  
Tennessee Department of Human Services  
269-E South Willow Avenue  
Cookeville, Tennessee 38501-3110

Telephone: (931) 528-2591  
Fax: (931) 528-9058

### Action

### Contact



## **Commitment to Excellence**

---

### **b. Monitoring Quality Control (QC) Error Cases**

For all food stamp cases found in error, a QC notice is submitted to the appropriate district director, program supervisor, program specialist, field supervisor and case manager. One program specialist in the State monitors and follows up on all QC error cases to ensure that the case is corrected, the claim is pended and that any necessary corrective action measures are taken to prevent the reoccurrence of the error in other cases.

#### **Contact**

**Lewis A. Snyder**  
Field Consultation Program Specialist  
Tennessee Department of Human Services  
907 Buffalo Street, P.O. Box 2120  
Johnson City, Tennessee 37605-2120

Telephone: (423) 434-6958

Fax: (423) 929-2944

### **c. Compilation and Statewide Distribution of Monthly Error Rate Data.**

Each month food stamp error data is collected, compiled, and distributed to all administrative staff. This data is reviewed in order to develop effective payment accuracy initiatives. All data is distributed with district and statewide totals. Excel documents (both letter and legal size) are compiled, as well as charts and graphs.

#### **Contact**

**Susan Welchance**  
Field Consultation Program Manager  
Tennessee Department of Human Services  
400 Deaderick Street, Citizens Plaza Building, 12<sup>th</sup> Floor  
Nashville, Tennessee 37248

Telephone: (615) 313-4889

Fax: (615) 313-6619

## **2. Investigations**

### **a. Operation Integrity**

This effort involved the TDHS, the Tennessee Bureau of Investigation, and the Federal Bureau of Investigation in order to match food stamp data against data on convicted felons and those who had violated parole. Approximately 1,200 recipients were identified and



## **Commitment to Excellence**

---

located through this process. Significant savings resulted due to the timely adjustment of benefit amounts.

### **b. Project Jailhouse**

Davidson County ran a pilot project to determine how many food stamp participants were incarcerated. By running a match between the local county jail file and the ACCENT data base, 144 food stamp recipients were found who were incarcerated at the time they received benefits.

### **c. Project Parking Lot**

For at least one hour each day, a TDHS investigator visits the parking lots of food stamp issuance sites and takes the license tag numbers of vehicles that appear to have value that would exceed the food stamp resource limit. The tag number is run through the Division of Motor Vehicles to determine the owner whose name is then checked against the ACCENT data base to determine if the owner is a member in a participating household. For those found to be participating, the case record is reviewed to ensure that the vehicle has been reported and that policy has been applied correctly. If necessary, the information is reported to the county for benefit adjustment and filing of an overpayment claim. This project was piloted in Shelby (Memphis) and Davidson (Nashville) Counties. Within six months, the savings from claims, disqualifications and the avoidance of improper issuances has totaled an estimated \$1 million. An additional bonus is that in FFY 1997, Tennessee had nine vehicle errors while in FFY 1998, there was only one vehicle error statewide.

**Larry Evitts**  
**Director, Investigations**  
**Tennessee Department of Human Services**  
**400 Deaderick Street, Citizens Plaza Building**  
**Nashville, Tennessee 37248**

**Telephone: (615) 313-4708**  
**Fax: (615) 313-6615**

### **Contact**

## **B. Developing an Enhanced Partnership with Administrative Review**

### **1. Review of QC Error Cases by Field Consultation for Rebuttal**

When an error is found in a case record, the case is reviewed by a Field Consultation program manager prior to transmission to the Food and Nutrition



## Commitment to Excellence

---

### Contact

Service. If an exception is taken to the noted error, the program manager writes up a rebuttal and submits it to the QC program manager. Both the case manager and the county field supervisor are involved in the rebuttal process and must prove the correctness of the case.

#### **Susan Welchance**

Field Consultation Program Manager  
**Tennessee Department of Human Services**  
(Please see address above)

#### 2. QC Staff Providing Training to all Staff

During both management and front-line staff payment accuracy conferences in FFY 1998, QC staff provided training on how the QC process works. This information made staff more aware of the QC process and eliminated false assumptions and myths surrounding QC. These workshops also made staff aware of the partnership required between Family Assistance and QC in the payment accuracy process.

### Contact

#### **Sandra Looney**

Administrative Review Program Manager  
Tennessee Department of Human Services  
400 Deaderick Street, Citizens Plaza Building, 15<sup>th</sup> Floor  
Nashville, Tennessee 32748

Telephone: (615) 313-5797  
Fax: (615) 313-5800

### **C. Conducting a Staff Awareness Campaign on Food Stamp Payment Accuracy**

#### **1. Payment Accuracy Conferences**

##### **a. Management Conference April 1998**

The TDHS administrator, directors, specialists, area managers and field supervisors met in Gatlinburg for a 2-day conference. Guests from Kentucky, South Carolina and the FNS regional office in Atlanta, as well as TDHS experts, provided information to the staff on payment accuracy and the necessity of improved payment accuracy in the Food Stamp Program in Tennessee. The cost of this conference was approximately \$47,000 or \$177.56 per person.





## **Commitment to Excellence**

---

### **b. One-Day Conference for front-line Staff - September/October 1998**

Nine 1-day food stamp payment accuracy conferences were conducted across the State for 1,975 case managers, clerical support staff, QC, administrative review and investigations staff. Abbreviated versions of the information provided at the management conference were presented to the staff. Lunch was served for each staff member and awards were given to counties that had achieved significant improvement in payment accuracy. All participants were given a vinyl notepad and pen, with an engraving of the conference logo. The cost of these conferences totaled approximately \$25,000 or \$12.50 per person.

### **c. Administrative Planning Conference December 1998**

A planning conference for 65 administrators and managers was held in Nashville for 1 and 1/2 days. The conference agenda included a review of where Tennessee was in FFY 1997 and what had been achieved during FFY 1998. Also, plans were made for achieving the goals set for FFY 1999. The cost of this conference was approximately \$12,500.00 or \$193.31 per person.

**Joy K. Stoots**

Food Stamp Program Specialist

Field Consultation Division

Tennessee Department of Human Services

(Please see address and telephone and fax numbers above)

**Contact**

## **2. Quarterly Payment Accuracy Newsletter**

During each quarter, the newsletter is compiled and distributed to all TDHS Family Assistance staff. The newsletter features current payment accuracy data, information on any special projects, policy concerns and a motivational thought. The newsletter also highlights any notable payment accuracy initiatives implemented in Tennessee or another State. The cost of the quarterly newsletter is approximately \$162.00 per quarter (2,700 copies @ \$.06 per copy).

## **D. Recognizing Excellence in Job Performance at all Levels**

### **1. Monthly QC Certificates for Correct Review Cases**

At the end of each review month a list of correct reviews is compiled. A parchment certificate is generated for each case manager that completes a correct review. The certificates are signed by the Commissioner and distributed to the district Family Assistance directors. The directors award the certificates to the county field supervi-



## **Commitment to Excellence**

---

sors at monthly district supervisor meetings. The supervisors present the certificates to the case managers at county staff meetings.

### **2. District/County Level Awards Presented at Management/ Administrative Conferences**

An awards ceremony was held at the management conference. Both \$6 Million Club counties (counties in the FNS Southeast region that issue \$6 million or more annually in food stamp benefits) and rural counties (non \$6M Club) were recognized for excellence in payment accuracy. District level awards were also presented at the conference.

Awards were presented to three districts at the administrative planning conference: the district that had contributed the most to the FFY 1998 payment accuracy rate; 2) the district with the most improved payment accuracy rate; and 3) the district with the highest payment accuracy rate. member of the Executive Staff is always at the conferences to present the awards.

#### **Contact**

##### **Joy K. Stoots**

Food Stamp Program Specialist  
Field Consultation Division  
Tennessee Department of Human Services  
(Please see address and telephone and fax numbers above)

### **E. Initiating a Customer Awareness Campaign on Reporting Changes and Responsibility**

#### **1. Change Report Poster**

Two thousand 11" X 17" posters were printed and distributed with the change reporting responsibilities. Each clerical support staff member, case manager, supervisor, county contract staff person and all contract agencies were supplied with posters. The total cost of the posters was \$271.47 (\$.136 per copy).



## **Commitment to Excellence**

---

**Phyllis Hamilton**  
Area Manager  
Montgomery County  
Tennessee Department of Human Services  
350 Pageant Lane  
Clarksville, Tennessee 37040-3854

Telephone: (931) 759-7181  
Fax: (931) 759-5917

### **Contact**

### **2. Verification Request Envelope**

A verification reminder envelope was printed and has been placed for pilot projects in three counties. They have been used for 6 months and their usefulness is currently being evaluated. The cost of the envelopes was \$54.00 per 1,000 (\$.054 per envelope).

**Anola Crunk**  
Program Supervisor  
Tennessee Department of Human Services  
North Branch Office  
3230 Jackson Avenue  
Memphis, Tennessee 38122-1011

Telephone: (901) 320-7442  
Fax: (901) 320-7335

### **Contact**



# Texas

## Significant Payment Accuracy Techniques

### Background

The Texas Department of Human Services (TDHS) management staff are held accountable for the payment error rates in their regions. This is accomplished by using a stratified sample that yields statistically valid data at the regional level. TDHS executive staff changed organizational culture by focusing on payment accuracy performance and holding individual managers accountable for results. At the same time, staff are responsible for pursuing the agency's commitment to employment and self-sufficiency for clients.

Quarterly progress reports on payment accuracy are submitted to the Governor and legislative leadership as required by State legislation passed in 1995.

Each TDHS region analyzes local error trends and develops semi-annual service improvement initiatives designed to improve payment accuracy. These service improvement plans are sent to the State office twice a year. Because these improvement plans are linked to accountability, payment accuracy is a major priority for TDHS' managers.

### Action

#### Pre-Certification Investigation

This activity was implemented statewide in September 1994, and targets client fraud at the time of certification. Eligibility specialists in TDHS regions with high dollar losses due to potential client fraud refer selected applications to pre-certification investigators. Investigators typically conduct home visits and make face-to-face contact with third-party sources to verify information provided by the client at the time of initial application. The findings are reported back to the eligibility specialist for appropriate case action.

For State Fiscal Year 1998 (September 1997 - August 1998), the following results were reported:

**193,890 investigations completed**  
**45,827 changes or denial of benefits**

The total monthly savings as a result of benefit changes or terminations was **\$7,319,275**.

#### Employer New Hire Report

Effective October 1998, all employers in Texas will be required to timely report information about newly hired employees to the Office of the Attorney General (OAG). The OAG will match the new hire reports against child support records and will also share the reports each week with TDHS to help prevent client and client fraud errors after certification.



## **Significant Payment Accuracy Techniques**

---

An analysis of Federal Fiscal Year (FFY) 1997 food stamp payment errors identified 13 error cases caused by unreported new employment that could have been avoided if the employer new hire report had been available and used effectively. The subsequent impact on the payment error rate would have been a reduction from **6.40 percent** to **5.75 percent** (State findings).

Due to the recent implementation of this activity, evaluation is still underway.

### **Texas Workforce Commission (TWC) Inquiry**

This initiative, implemented in November 1996, targets client failure to report employment, unemployment benefits and work history at the time of certification. The purpose of this initiative is to identify unreported earnings or unemployment compensation benefits. Designated local staff has access to TWC records that are used to view work history records and verify unemployment benefits.

### **Work History/Documentation**

This initiative, implemented in January 1994, targets client failure to report earned and/or unearned income at the time of certification. Eligibility specialists are required to verify and or document work history for employable household members age 16-59. Work history must be verified and documented for any employment held in the month of application or 2 months prior. For household members claiming no current income, eligibility specialists explore and document previous employment for 12 months prior to application and verify and document termination information from the member's last employer.

### **Second Party Reviews**

During FFY 1993, regional service improvement staff began to implement this activity which targets agency errors occurring at the time of certification. Specialized regional staff read cases prior to processing to ensure that: 1) all case clues have been identified and addressed, 2) all verifications are appropriate, 3) all documentation requirements have been met, and 4) program policy has been applied correctly. Each TDHS region performs some form of this activity though the specific review procedures vary in scope.

### **Change Centers**

This initiative targets agency failure to act timely and accurately on reported changes. Three regions have implemented centralized change processing centers to ensure that client-generated changes are acted upon timely and efficiently. The first regional change center was implemented in February 1997. Change centers also complete agency-initiated changes for several offices within their respective regions. In such situations, the local offices provide change-reporting areas in the lobbies that are



## Significant Payment Accuracy Techniques

---

equipped with facsimile machines, copiers, and a phone line that dials directly to the change center.

*At the end of FFY 1995, payment errors due to agency failure to act on reported changes caused 10.5 percent of the statewide dollar loss. At the end of FFY 1997, these types of payment errors caused 5.8 percent of the statewide dollar loss.*

### **Texas Department of Criminal Justice (TDCJ) Match**

This initiative targets client fraud after certification. Since January 1997, a monthly match is conducted with TDCJ to identify persons receiving benefits while incarcerated in a State prison. In State Fiscal Year 1998, over 1,900 matches with TDCJ uncovered total overpayments of \$137,422.

### **Border State Match**

This initiative also targets client fraud primarily after certification. Beginning in September 1997, a quarterly match with Oklahoma, New Mexico and Louisiana has been conducted to identify persons who are potentially receiving simultaneous benefits in Texas and these bordering States. Incomplete State fiscal year findings through August 1998 indicate that data matching with bordering States has resulted in 1,564 matches with Oklahoma, 2,239 matches with New Mexico and 1,654 matches with Louisiana. The Oklahoma and Louisiana matches resulted in 289 potential overpayments. New Mexico matches are still being evaluated.

### **Data Broker System**

Texas makes available various systems and initiatives to assist its regions in accomplishing payment accuracy goals. The Data Broker initiative was implemented in March 1998, and targets client failure to provide accurate information at the time of certification. Since July, the system has been available to staff statewide; and as a result, nearly 6,000 staff now regularly use the process.

The Texas Department of Human Services (TDHS) contracted with information brokers to provide National, State and local system searches to verify financial and non-financial circumstances of potential clients, including vehicle registrations, Texas drivers licenses issued for a particular address, consumer credit information, and criminal convictions.

Four inquiry criteria are used in the process: name, address, Social Security number and date of birth. Within seconds information is available for staff review.

Due to the recent implementation of this activity, detailed evaluation findings are not yet available. However, the State's FFY 1998 payment accuracy rate improved significantly over the previous year's.



## Significant Payment Accuracy Techniques

---

- **Project Program Integrity (PI) (QC) Premise:**

In FFY 1997, Data Broker had the potential to impact 51.7 percent of the PI (QC) Errors (51.7 percent of FY 1997 errors attributed to Client Errors and Fraud Errors).

Error trends have not changed significantly in FFY 1998; Client Errors and Fraud will be the majority of the errors.

An analysis of Federal Fiscal Year (FFY) 1997 food stamp errors indicated that approximately 25 percent of case errors could have been prevented with the effective use of data broker inquiry.

- **Project Parameters**

Data Broker information is used to alert the worker that the client may not have reported all the facts.

Data Broker information cannot be used as primary verification. The Agency Advisor and the client will need to work together to resolve any discrepancies.

Data Broker information is updated periodically. Because the data may be accurate at the time reported, but not on the date accessed, the date each data element was gathered may be listed on the report.

In FFY 1997, approximately 80 to 85 percent of the cases, or 93.6 percent of the payments, were determined to be accurate by Program Integrity Assessment (QC). The goal of using Data Broker inquiry is to find and correct the 6.4 percent of payments in error.

- **General Data Broker Concepts**

External Data Broker and internal data confirm the financial status declared by many clients.

Data Broker information will not identify discrepant information on every case inquiry, but will assist in confirming the client's status. Time and resources should not be spent to verify information that will not impact eligibility.

Data Broker Information might not be cost and time effective on cases with low monthly allotments. Offices should set targets, scalable to allotment and household size.



## Significant Payment Accuracy Techniques

---

- Reaction to the Data Broker System

Other than the credit report, TDHS' Data Broker system provides information that has always been used in the Food Stamp Program. However, the significant difference is that the Data Broker method is more accurate, more timely, and places less burden on clients.

Initially, both staff and clients had concerns about the system. However, the State is finding that after about 3 months, clients and staff learn about the system and become more comfortable with the information available, thus realizing the benefit to both. The verification burden is reduced and fewer errors seem to occur from unreported information.

### Available Reports:

#### **Unrestricted Information:**

- Texas Driver's License and Department of Public Safety ID information
- Texas Driver's License and Department of Public Safety ID cards issued for a particular address
- Listing of neighbors - five to each side of address
- Vehicles registered at address including:
  - Name of owner
  - Make, model, and year of each vehicle
  - Wholesale value of each vehicle
  - Date the vehicle record was last updated.
- Property Records - also available through the TDHS Office of Program Integrity WEB site
- Safescan report - indicating irregularities in Social Security Numbers and their use
- Credit Header - requested individuals addresses and aliases
- Criminal conviction report - details on convictions in Texas

#### Restricted:

- Consumer credit report - detailed report of current credit and credit history

### Contact

#### **Kerby Spruiell**

Project Manager  
Texas Department of Human Services  
P.O. Box 149030 Mail Code W404  
Austin, Texas 78714-9030

Telephone: (515) 438-2030  
Internet: [kerby.spruiell@dhs.state.tx.us](mailto:kerby.spruiell@dhs.state.tx.us)





# Wyoming

## Managing Payment Accuracy: A Team Approach

Wyoming workers were becoming frustrated. State program, quality control (QC) and field staff were working hard to do accurate work, but the food stamp error rate was not decreasing. A change in philosophy and direction occurred when Wyoming decided to get competitive and set the State's goal at a 97 percent accuracy rate. The Director of the Department of Family Services established this goal and charged all staff with the task of meeting it. Continuing to sit right below the tolerance rate and being "average" was no longer good enough!

For FY 1997, Wyoming's payment error rate was 9.11 percent. While final Federal FY 1998 error rates are not yet available, our latest projections suggest a very significant increase in payment accuracy for the year.

### Initial Phase

1. During the initial phase QC and State program staff established a set time each week to meet. The purpose of these meetings was to discuss QC and STAR findings (STAR is the initiative which involves quality assurance reviews by QC staff of target policy areas), brainstorm solutions and determine how to implement solutions and air differences in policy and procedure interpretations. Case files are voluntarily submitted to the STAR reviewer by field staff. Department of Family Services administrative and management staffs are supportive of the meetings and encourage the team process.
2. The field staff identified inconsistencies among the policy and processes interpretations in the Quality Control Manual, the Food Stamp Manual and the Economic Assistance Training Manual. These perceptions, whether real or not, were causing confusion, causing errors and decreasing the level of trust among the field, State program and QC staff.

### Middle Phase

1. The team identified potential waiver areas to be targeted for simplifying the processes and decreasing the potential for errors. Waivers were requested for utility standards in conjunction with review of potential problem areas.
2. The team identified error-prone areas and QC staff provided policy training to field staff. State program staff are required to have management authorization to travel for training. Since QC staff were already available and traveled in each of the regions, they became the logical choice for conducting the mini training sessions. Areas covered included the best estimate of income.
3. A complete review of food stamp policy occurred.

### Background

### Action



## Managing Payment Accuracy: A Team Approach

---

- Current food stamp policy was reviewed by program staff against the Code of Federal Regulations and Federal policy letters and memos and the QC manual.
  - The Food and Nutrition Service (FNS) Mountain Plains Region staff were contacted to provide further guidance concerning interpretation and implementation of policies and procedures which would be less error prone.
  - A representative from the FNS regional office attended a meeting of State program and QC staff in Denver and provided guidance in interpreting specific areas of policy such as the dependent care deduction.
  - The team discussed and agreed on the interpretation of each policy and procedure area.
  - Program staff drafted the revised policy.
  - The policy changes were not finalized and made available to the field until all team members agreed on the finished product.
  - Policy and QC staff have used the team approach to provide training to field staff concerning updated and new policy and procedures.
4. Topics for monthly training letters were suggested by team members. The training letters were drafted by program staff and reviewed by all members and not distributed to the field until all team members agreed on the final product.
5. QC and State program staff adopted the goal, philosophy and challenge of trying to defend the worker's actions in the face of QC error findings. This challenge has generated some creative brainstorming which has produced positive results for error reduction. Field staff is encouraged to become participating members of this process. With all levels and entities working toward the same goal, the response process has become more positive and proactive which motivates everyone to a higher quality of work.

### **Ongoing Phase**

Once the middle phase is implemented, the team will continue to function as a cohesive unit with more participation from field staff. The goal is to continue to shape a system which will result in increased payment accuracy and enhanced funding.

### **Types of Resources Needed to Implement**

The main resource was staff and time. The State program and QC staffs needed to be committed to the goal of payment accuracy and to dedicate the time necessary to thoroughly and effectively implement the processes necessary to obtain the goal. The use of electronic communications to schedule meetings, to exchange information quickly, and to review drafts and revisions of materials facilitated the process.



## **Managing Payment Accuracy: A Team Approach**

---

In addition to their regular duties, QC staff reviewed policy changes and training materials and provided training. The team required no additional staff or funding to implement this process.

The process has been time intensive for the team members during the initial and middle stages. It is anticipated there will be a time savings when the policy and processes are finalized, the training completed and everyone (QC, program and field) is talking the “same language and philosophy”.

### **Obstacles Encountered and Overcome**

The main obstacles were overcome with adjustments to attitude by team members.

It was essential that communication and “territorial” hurdles be overcome.

The team members became committed to the goal of error reduction and each member understood he/she was key in the successful implementation of the initiative.

The team built trust and respect by focusing on problems and solutions.

If QC, program, or field staff identified a problem with the food stamp policy or procedures, they were encouraged to provide possible solution(s). One of the ongoing difficulties is having an understanding that suggestions will be reviewed by the core team and may be accepted, refined or rejected. Some individuals providing comments have difficulty accepting this process and become discouraged about providing suggestions.

State program and QC staff provided joint training at the Economic Assistance conference held in the Fall of 1998 and the grid training held in February of 1999. Staff at all levels have responded favorably to this show of cooperation and team work. The recipient reaction is less measurable. However, the same response and explanations by all entities having contact with clients projects a professional image which discourages clients hunting for the most favorable answer and results in a more trusting relationship between the agency and the client.

Tremendous effort was made to improve and enforce the integrity of the Food Stamp policy as it was moved into the Combined Manual (Child Care, the Food Stamp Program, Medicaid and Temporary Assistance to Needy Families). Tools were provided to the field to facilitate the transition. Since the Combined Manual was not implemented until March 1999, the long term impacts on the error rate of this major change are not yet known.



## Managing Payment Accuracy: A Team Approach

---

### Discussion of Success

This initiative, in conjunction with the other initiatives implemented in Wyoming, has resulted in an increased payment accuracy rate. Errors caused by conflicting or confusing policy and reporting errors have been reduced.

The goal is to reach enhanced funding. State program, QC and field staff will continue to identify weaknesses and to strengthen areas of Food Stamp Program policies and procedures. They will also continue to identify and provide needed training.

### Contact

#### **Delores M. Shelton**

Food Stamp Program  
Consultant  
Department of Family Services  
3rd Floor, Hathaway Building  
Cheyenne, Wyoming 82002-0490

Telephone: (307) 777-6786  
Fax: (307) 777-3693

#### **Earl Garner**

Food Stamp Program  
Consultant  
Department of Family Services  
3rd Floor, Hathaway Building  
Cheyenne, Wyoming 82002-0490

Telephone: (307) 777-6083  
Fax: (307) 777-6963

#### **Beverly Campbell**

Quality Control Manager  
Department of Family Services  
3rd Floor, Hathaway Building  
Cheyenne, Wyoming 82002-0490

Telephone: (307) 777-3693  
Fax: (307) 777-7747



---

**Questions and comments about this publication may be directed to:**

**U.S. Department of Agriculture  
Food, Nutrition and Consumer Services  
Food and Nutrition Service  
Food Stamp Program, Program Accountability Division  
Quality Control Branch**

**3101 Park Center Drive  
Alexandria, Virginia 22302**

**Editor: Charlene Simmons  
(703) 305-2474**



The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or familial status. (Not all prohibited bases apply to all programs.)

Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC, 20250-9410 or call (202) 720-5964 (voice or TDD).

USDA is an equal opportunity provider and employer.